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The details of the way in which these agencies reached an agreement are not material for the purposes of this present account. They have in them plenty of the pathetic humor so abundantly present in our war-labor administration. The agencies whose names are attached to the accompanying document finally agreed (October 14, 1918) on the formulation which was sent to the Secretary of Labor and by him transmitted to the President.

REPORT OF THE CONFERENCE COMMITTEE OF NATIONAL LABOR-ADJUSTMENT AGENCIES

The following recommendations are submitted to serve as a basis for a National Labor Policy to be announced by the President of the United States.

I. HARMONY OF ACTION BY LABOR-ADJUSTING AGENCIES

1. A Conference of National Labor Adjustment Agencies, composed of two representatives of each federal labor-adjusting agency, should be established to meet at regular intervals for the purpose of promoting unified action and stability in reference to matters under their jurisdiction. Effective methods shall be established by each agency for conference with such other agencies as may be directly concerned by a proposed award, and in no event shall a decision affecting a change in standard rates or working conditions theretofore fixed by an authorized governmental agency be deemed to be concluded, nor shall such award be promulgated until the Conference is first consulted as to its effect upon the industrial situation of the entire country.

2. It is recommended that appropriate steps be directed to be taken to secure whatever modification of existing agreements creating labor-adjustment agencies is necessary to enforce the national labor policy that may be declared by the President.

3. Any complaint as to the application or operation of the principles and standards herein proclaimed shall be referred to the National War Labor Board for adjudication, in so far as its jurisdiction applies. And nothing herein is intended to repeal or amend the provisions of the Presidential Proclamation of April 8, 1918, establishing the National War Labor Board, and fixing its jurisdiction, its general procedure, and the principles upon which its action and decisions should be based.

II. STANDARD OF WAGES AND WORKING CONDITIONS

The following industrial standards should govern the various adjusting agencies for the purpose of securing maximum efficiency during the war, regularity of work on the part of the employe, continuity of employment on the part of the employer, and to secure stability for industry. All the provisions should be interpreted with these great ends in view.

1. *Differentials*.—The principle of wage differentials relating to emergency war construction, shipyards, loading and unloading of ships, general

manufacturing and railroad shops should for the present be recognized, because:

a) The transitory character of war construction and emergency ship-building has resulted in the establishment of rates of compensation in such occupations higher than are maintained in organizations which are part of the permanent industrial life of the nation.

b) The supreme necessity for ships makes it necessary to attract the additional workers required for their construction from non-war industries and from localities remote from shipbuilding centers. This involves serious dislocation in the lives of workers who engage in such work. The relatively severe conditions under which shipbuilding construction is at the present time carried on entitle the men to a payment of compensation at a rate somewhat in excess of that paid employes in similar occupations in other industries not subject to such conditions, and a sufficient number of men cannot otherwise be obtained.

c) To determine whether or not existing wage differentials should be eliminated and, if so, upon what basis, will require not only extensive investigation but the closest co-operation of employers, employes, and representatives of the government departments affected thereby. The administrative machinery to conduct such investigation and bring about such co-operation has been established and is being perfected. Pending the operation of this machinery, any radical change in existing conditions would be arbitrary, would create confusion, and would seriously embarrass the agencies which are now working toward a solution of these problems and thus handicap war production.

2. *Principles governing wage adjustments.*—

a) The national policy calls for the maintenance of proper standards of living—such standards as are appropriate to American citizens devoting their energies to the successful prosecution of a righteous war. Changes in the cost of living therefore call for adjustments in wages. In making such adjustments due regard must be accorded to securing maximum war production and to the state of the national finances, but no alteration of the national policy as to American standards should occur until the government has announced the necessity for the reduction of standards of all classes to meet the exigencies of the war. To permit the continuance of such standards we cannot too strongly urge that immediate and drastic steps be taken by all the government agencies equipped with power to prevent further increase in the cost of living.

b) The application of the broad principle of maintaining standards of living cannot be reduced to mathematical formula but must follow the rules of reason and justice. In essence, reason and justice demand that this rule should apply in full force to those workers whose wages afford but a small margin over the amount necessary for the maintenance of their economic efficiency.

c) Reason and justice further demand that the principle of adjusting wages to changes in the cost of living should apply only where a fair and equitable

wage prevails. This principle should not operate to prevent workers whose wages were below a proper standard of living from securing an equitable adjustment.

d) In the interest of stability, revisions of wage scales based upon changes in the cost of living as herein provided should be made semiannually. The semiannual adjustment should be based upon a comparison of the cost of living for the current six months' period with that of the corresponding period of the preceding year, and any change should apply to the succeeding six months.

3. *Standard working conditions.*—

a) Eight hours shall constitute a day's work on all work to which the eight-hour statutes of August 1, 1892, as amended, and of June 19, 1912, apply, and in all direct and sublet contracts for government work. On all work to which the eight-hour statutes of August 1, 1892, as amended, and of June 19, 1912, apply and in all direct and sublet contracts for government work, except in continuous industries and continuous occupations, and except in the production or extraction of raw materials necessary for war work, four hours shall constitute a day's work on Saturdays for the months of June, July, and August. Where a short work day on Saturdays has been established in industries excepted above or for a greater number of months than those specified, the number of hours heretofore constituting a day's work on Saturdays should not be increased. Any time in excess of the hours specified above is to be considered overtime.

b) In war time, on government work, overtime should be required or permitted only when the public necessity demands.

Compensation at higher rates for overtime is paid as a means of protecting workers against unduly long hours and of penalizing employers who require such hours. Under the extraordinary conditions created by the war, however, there has developed a great temptation to break down the standard work day and to work irregular hours and at undue rates in order to secure the extra compensation paid for overtime. This not only threatens all proper standards of work but has hindered war production and resulted in a serious drain on the finances of the nation. All government authorities are therefore charged to use every effort to put a stop to this abuse.

Compensation for overtime, as defined in paragraph *a)*, for hourly workers shall be at one and one-half the hourly rates, and for pieceworkers at one and one-half times the average hourly piecework earnings for the total number of hours worked on piecework computed at the end of each pay period, except where compensation at a higher rate is now being paid; but in no case shall compensation at a rate in excess of double time be paid.

c) On all government war work and on all direct or sublet contracts for government war work, no work shall be performed on Sundays or holidays except such as is indispensable, and in such cases the rate of compensation for such work should be not more than double the regular rates, computed as

provided for in the preceding paragraph. When work on Sundays and holidays is necessary, every precaution should be taken to prevent irregular attendance on week days for the sake of the extra compensation on Sundays and holidays.

d) The federal government recognizes for the purpose of extra compensation the following federal holidays: New Year's Day, Washington's Birthday, Decoration Day (Memorial Day), Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day. On state and national election days employees enjoying the voting privilege shall be allowed not to exceed half a day, without loss of pay, in order to exercise their right of franchise.

e) For night shifts in war industries, except in continuous industries and continuous occupations, extra compensation, not exceeding 10 per cent, should be added to the total earnings at day-shift rates.

f) The payment of bonuses, or any extra compensation or gift, which in the judgment of the proper government authorities have the effect of interfering with the established standards of compensation and other working conditions, or which tend to promote an unnecessary shifting of employment, should be prohibited.

III. ENFORCEMENT OF STANDARDS

1. Should any employer or worker refuse to abide by the award of an appropriate labor-adjusting agency, the government will utilize all the power at its disposal, including the withdrawal of privileges, to secure compliance with such award.

2. Strict measures should be taken by the War Industries Board and all governmental agencies to prevent interference by war or non-war industries with the application of the standards herein established.

Signed by representatives of

EMERGENCY CONSTRUCTION WAGE COMMISSION

FUEL ADMINISTRATION

DIVISION OF MEDIATION AND CONCILIATION OF THE DEPARTMENT OF
LABOR

NATIONAL ADJUSTMENT COMMISSION

NATIONAL HARNESS AND SADDLERY ADJUSTMENT COMMISSION

NAVY DEPARTMENT

UNITED STATES RAILROAD ADMINISTRATION (except as to the semiannual
revision to meet changes in cost of living).

SHIPBUILDING LABOR ADJUSTMENT BOARD

WAR DEPARTMENT

L. C. MARSHALL

UNIVERSITY OF CHICAGO